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Date: May 18, 2007
Reference No.:
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Distribution: **Special**

Special:

Circular Letter

TO: PUBLIC EMPLOYERS IDENTIFIED AS HAVING SUPERFUNDED RATE PLAN(S)

SUBJECT: INSTRUCTIONS FOR REQUESTING THE TRANSFER OF ASSETS FOR SUPERFUNDED RATE PLANS

Government Code Section 20816 provides that, if the Chief Actuary determines that an employer's rate plan is superfunded (actuarial value of assets exceeds the present value of benefits) as of the most recently completed valuation, the employer may cover their employees' normal member contributions (defined as **required** member contributions) using their employer assets. This would necessitate transferring assets within the Public Employees' Retirement Fund (PERF) from the employer account to the member accumulated contribution accounts.

Our Actuarial Office has identified your agency as having a superfunded rate plan(s) for the rate plan year of July 1, 2007 through June 30, 2008, based on the actuarial valuation as of June 30, 2005.

We urge you to contact your CalPERS' actuary to discuss what may happen to your rates before you decide to use the vouchers to pay normal member contributions.

Attached to this circular letter are 26 vouchers (PERS-AESD-V0708-PC) for each rate plan in your agency that has been identified as being superfunded. Twenty-six vouchers are included for those employers who report contributions to CalPERS on a bi-weekly basis (26 reporting periods per fiscal year); if you are an employer who reports on a semi-monthly, quad-weekly or monthly basis, all 26 vouchers will not be needed. If you decide to use these vouchers to pay normal member contributions, instructions for completion and submittal of these forms are provided on pages 2 and 3 of this letter.

You may request a transfer of employer assets for any payroll period that has an ending date on or after July 1, 2007, but no later than June 30, 2008. Completed payroll

reports **must be received at CalPERS' Headquarters no later than July 31, 2008**, in order to qualify for this transfer. Completed payroll reports include: Summary Report (PERS-AESD-626), media [cartridge, diskette or Pre-list (PERS-AESD-625A)], hard-copy report and voucher (PERS-AESD-V0708-PC). For those employers who are using the ACES system to transfer their payroll detail, a completed payroll report would include Summary Report (PERS-AESD-626), voucher (PERS-AESD-V0708-PC) and payroll detail transmitted through ACES. Additional information regarding reporting deadlines can be found on page P86 of your CalPERS' *Procedures Manual*.

Please remember that this superfunded status applies only to the rate plan indicated on the voucher and cannot be used for any other rate plan. For example, an employer that has superfunded status for their miscellaneous rate plan but not their safety rate plan can only use the superfunded voucher for the contributions of their miscellaneous members and must pay the contributions for their safety members. If you decide to request a transfer of employer assets, it must be for all members of the appropriate group or class of employees. In addition, the superfunded status is only for the rate plan year of July 1, 2007 through June 30, 2008. Detailed information regarding the status of your superfunded rate plan(s) can be found on page 5 of your June 30, 2005 actuarial valuation report. If you have any questions regarding the actuarial valuation report, please contact the actuary assigned to your agency.

Instructions for completion of Form PERS-AESD-V0708-PC

For your convenience, a completed sample voucher is attached. Please note that the rate plan has been pre-printed on each voucher. If your agency has more than one rate plan identified as being superfunded, you must submit a separate voucher for each rate plan.

Please refer to the attached sample voucher for assistance in completion of the following fields:

#1 – Signature: An authorized representative of the agency must sign this line. Without the authorizing signature, CalPERS cannot transfer assets. Failure to sign will prevent the processing of your payroll report, which could delay CalPERS from providing accurate benefits to your members.

#2 - Service Period: This line must be completed with the service period (month, year and type) for which the voucher is to be applied. The service period must correspond with the service period indicated on the accompanying summary report in order for CalPERS to transfer properly the appropriate amount of assets.

#3 - Coverage Group: You may choose to transfer assets to only cover certain groups or classes of employees within a rate plan, but you must cover all the employees in those groups or classes. You must identify **each coverage group** within the rate plan (there may be more than one coverage group for each rate plan) for which you wish to

transfer assets (this includes those agencies that only have one coverage group within the rate plan). Please remember to use the appropriate rate plan voucher for the corresponding coverage groups identified on each voucher. For example, you would need to indicate all ***miscellaneous*** coverage groups, for which you want assets transferred, on the voucher with the ***miscellaneous*** rate plan indicated in the center section of the voucher.

#4 - Amount: Indicate the total dollar amount of employer assets to be transferred (for this payroll period and coverage group identified). This amount cannot exceed the total normal and tax-deferred member contributions reported on the accompanying payroll report for the coverage group indicated. *Any employer assets to be transferred **should not** be shown on lines 14a or 14b of the Summary Report (PERS-AESD-626).*

No changes are necessary to the Summary Report (PERS-AESD-626). The voucher will serve as payment. However, the voucher cannot be used to offset payments for member paid service credit purchases or member paid survivor contributions.

Should you have any questions regarding completion of the voucher, please contact the Employer Contact Center at **888 CalPERS** (or 888-225-7377).



Lori McGartland, Chief
Employer Services Division

Attachments



Actuarial & Employer Services Branch
P.O. Box 942709
Sacramento, CA 94229-2709
888 CalPERS (or 888-225-7377)
Telecommunications Device for the Deaf - (916) 795-3240
FAX (916) 795-3005

SAMPLE

TRANSFER OF ASSETS VOUCHER

(To be used to transfer employer assets to cover member contributions)

2007/2008 FISCAL YEAR

(To be used for payroll periods ending on dates
July 1, 2007 through June 30, 2008)

This voucher is to be used to authorize CalPERS to transfer the amount indicated below from employer assets of the employer/rate plan identified on this voucher to the member accumulated contribution accounts per the attached report of contributions.

Employer Code: 1999
Employer Name: TOWN OF ANYWHERE
Rate Plan: MISCELLANEOUS PLAN

I hereby certify that I am the duly appointed, qualified, and acting officer of the herein named employer, and that I authorize CalPERS to transfer employer assets to member accumulated contributions by CalPERS coverage group(s) and service period in the amount(s) as indicated.

Signature John Doe

Service Period 07/2007/0

Coverage Group 70001 Amount \$ 70

Coverage Group 75001 Amount \$ 9

Coverage Group _____ Amount \$ _____

Coverage Group _____ Amount \$ _____

(YOU MAY ONLY USE THIS FORM FOR COVERAGE GROUPS IN MISCELLANEOUS PLAN).

SAMPLE

FOR PERS USE ONLY

STATE OF CALIFORNIA
PUBLIC EMPLOYEES RETIREMENT SYSTEM
400 Q STREET, P.O. BOX 1982, SACRAMENTO, CA 95812-1982



SUMMARY REPORT MEMBER AND EMPLOYER CONTRIBUTIONS

FOR INSTRUCTIONS ON COMPLETING THIS FORM, REFER TO THE MATERIAL ON
THE SUMMARY REPORT FOUND IN THE PAYROLL REPORTING SECTION OF THE
PROCEDURES MANUAL (PERS-ADM-DO-430)

SERVICE PERIOD TYPE CODES	
ITEM	CODE
MONTHLY	0
SEMI-MONTHLY-1ST HALF	1
SEMI-MONTHLY-2ND HALF	2
BI-WEEKLY-1ST PAYROLL	3
BI-WEEKLY-2ND PAYROLL	4
BI-WEEKLY-3RD PAYROLL	5
QUADRIWEEKLY-1ST PAYROLL	6
QUADRIWEEKLY-2ND PAYROLL	7

EMPLOYER CODE: 1999	EMPLOYER NAME: TOWN OF ANYWHERE	OFFICE CODE	SERVICE PERIOD		
			MONTH	YEAR	TYPE
			07	2007	0
CERTIFICATION I HEREBY CERTIFY THAT I AM THE DULY APPOINTED, QUALIFIED, AND ACTING OFFICER OF THE HEREIN NAMED EMPLOYER; AND THAT THE DATA AS SET FORTH ON THIS FORM AND THE SUPPORTING DOCUMENTS ARE TRUE AND CORRECT.		<input checked="" type="checkbox"/> SPECIAL PAYROLL	BEGINNING DATE		
			MONTH	DAY	YEAR
SIGNATURE <i>John Doe</i>		DATE: 8/15/2007	07	01	2007
NAME AND TITLE (PRINT OR TYPE) John Doe, Accountant		PHONE NO: 123-456-7890	ENDING DATE		
			MONTH	DAY	YEAR
			07	31	2007
		(PERS-ACC-624) ATTACHED			

EMPLOYER CONTRIBUTIONS					MEMBER CONTRIBUTIONS	
1. COVERAGE GRP.	2. EMPLOYER RATE	X	3. MEMBER EARNINGS	=	4. EMPLOYER CONTRIBUTIONS	
70001	0.000%		\$1,000.00		\$0.00	7. NORMAL: \$70.00
75001	0.000%		\$100.00		\$0.00	8. TAX DEFERRED: \$9.00
0	0.000%		\$0.00		\$0.00	9. ADDITIONAL: \$0.00
0	0.000%		\$0.00		\$0.00	10. SUB-TOTAL (7+8+9): \$79.00
0	0.000%		\$0.00		\$0.00	11. SURVIVOR BENEFIT \$0.00
0	0.000%		\$0.00		\$0.00	12. TOTAL MEMBER CONTRIBUTIONS: \$79.00
0	0.000%		\$0.00		\$0.00	
0	0.000%		\$0.00		\$0.00	
0	0.000%		\$0.00		\$0.00	
5. TOTAL MEMBER EARNING\$				\$1,100.00	6. TOTAL EMPLOYER CONTRIBUTIONS: \$0.00	
13. TOTAL MEMBER AND EMPLOYER CONTRIBUTIONS:					(ITEM 6 + ITEM 12)	\$79.00

ADJUSTMENTS:	14.A SURPLUS ASSET: MISCELLANEOUS CATEGORY
	14.B SURPLUS ASSET: SAFETY CATEGORY
	14.C ACC-344/ACC-152
ATTACH ADJUSTMENT NOTICES TO SUPPORT AMOUNT SHOWN	
NOTE: Do not enter in this space corrections of member earnings and contributions made on Payroll Listing.	
DATE PAID	
15. ADVANCE PAYMENT/EFT	
16. BALANCE DUE (ITEM 13 PLUS OR MINUS ITEM 14A, 14B, 14C OR 15)	PREPARE ONE CHECK OR WARRANT PAYABLE TO THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM
	\$79.00

FOR PERS USE ONLY			
Control No. and Business Month	100% Change	Audited	Remittance Amount \$
			17. Date Paid
			18. Previous Document Number